



General Assembly

January Session, 2007

Raised Bill No. 7097

LCO No. 4100

04100_____ET_

Referred to Committee on Energy and Technology

Introduced by:
(ET)

AN ACT CONCERNING CONNECTICUT'S ENERGY POLICY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective from passage*) (a) There is hereby
2 established and created a body politic and corporate, constituting a
3 public instrumentality and political subdivision of the state of
4 Connecticut established and created for the performance of an
5 essential public and governmental function, to be known as the
6 Connecticut Electricity Procurement Authority. The authority shall not
7 be construed to be a department, institution or agency of the state.

8 (b) The powers of the authority shall be vested in and exercised by a
9 board of directors, which shall consist of seven directors as follows: (1)
10 The Commissioner of Social Services or the commissioner's designee,
11 (2) the Secretary of the Office of Policy and Management or the
12 secretary's designee, (3) the Commissioner of Environmental
13 Protection or the commissioner's designee, (4) the Office of Consumer
14 Counsel or a designee, (5) a director appointed by the Governor, (6) a
15 director appointed by the president pro tempore of the Senate, and (7)
16 a director appointed by the speaker of the House of Representatives.
17 No director may be a member of the General Assembly. The appointed

18 directors shall serve for terms of four years each. The Governor shall
19 designate one of the directors to serve as chairperson of the board,
20 with the advice and consent of both houses of the General Assembly.
21 The chairperson of the board shall serve at the pleasure of the
22 Governor. Any appointed director who fails to attend three
23 consecutive meetings of the board or who fails to attend fifty per cent
24 of all meetings of the board held during any calendar year shall be
25 deemed to have resigned from the board. Any vacancy occurring other
26 than by expiration of term shall be filled in the same manner as the
27 original appointment for the balance of the unexpired term.

28 (c) The chairperson shall, with the approval of the directors, appoint
29 a president of the authority who shall be an employee of the authority
30 and paid a salary prescribed by the directors. The president shall
31 supervise the administrative affairs and technical activities of the
32 authority in accordance with the directives of the board.

33 (d) Directors may engage in private employment, or in a profession
34 or business, subject to any applicable laws, rules and regulations of the
35 state or federal government regarding official ethics or conflict of
36 interest.

37 (e) Three directors of the authority shall constitute a quorum for the
38 transaction of any business or the exercise of any power of the
39 authority. For the transaction of any business or the exercise of any
40 power of the authority, and except as otherwise provided in sections 1
41 to 12, inclusive, of this act, the authority shall have power to act by a
42 majority of the directors present at any meeting at which a quorum is
43 in attendance.

44 (f) Appointed directors may not designate a representative to
45 perform in their absence their respective duties under sections 1 to 12,
46 inclusive, of this act.

47 (g) The term "director", as used in this section, shall include such
48 persons so designated as provided in this section and this designation

49 shall be deemed temporary only and shall not affect any applicable
50 civil service or retirement rights of any person so designated.

51 (h) The authority shall continue as long as it has bonds or other
52 obligations outstanding and until its existence is terminated by law.
53 Upon the termination of the existence of the authority, all its rights and
54 properties shall pass to and be vested in the state of Connecticut.

55 (i) The directors, members and officers of the authority and any
56 person executing the bonds or notes of the authority shall not be liable
57 personally on such bonds or notes or be subject to any personal
58 liability or accountability by reason of the issuance thereof, nor shall
59 any director, member or officer of the authority be personally liable for
60 damage or injury, not wanton or wilful, caused in the performance of
61 such person's duties and within the scope of such person's
62 employment or appointment as such director, member or officer.

63 Sec. 2. (NEW) (*Effective from passage*) (a) The purposes of the
64 Connecticut Electricity Procurement Authority established in section 1
65 of this act shall be (1) financing the expansion or purchase of in-state
66 resource recovery facilities, (2) purchasing electricity from in-state
67 resource recovery facilities, (3) purchasing electricity from renewable
68 energy sources, and (4) assuming existing power contracts to facilitate
69 the completion of the goals in subdivision (1), (2) or (3) of this
70 subsection.

71 (b) These purposes shall be considered to be operating
72 responsibilities of the authority and are to be considered in all respects
73 public purposes. It is the intention of sections 1 to 12, inclusive, of this
74 act that the authority shall be granted all powers necessary to fulfill
75 these purposes and to carry out its assigned responsibilities and that
76 the provisions of this chapter, itself, are to be construed liberally in
77 furtherance of this intention.

78 (c) The authority shall complete the goals of subsection (a) of this
79 section in a timely manner that allows for starting to provide service to

80 its registered customers on or before January 1, 2009.

81 Sec. 3. (NEW) (*Effective from passage*) The directors of the
82 Connecticut Electricity Procurement Authority shall meet at least
83 monthly at the call of the chairman and may meet more frequently, if
84 necessary and desirable. The first meeting shall be held on or before
85 May 1, 2007. The directors shall maintain at all times minutes of its
86 meetings including the authority's considerations, deliberations,
87 decisions and resolutions, which minutes shall be considered public
88 records. The authority shall maintain all necessary records and data
89 with respect to its operations and shall report annually to the Governor
90 and the General Assembly, upon its operations. Such reports shall
91 include, but not be limited to, a listing of the contracts entered into for
92 the procurement of electricity; a listing of the outstanding issues of
93 notes and bonds of the authority and the payment status thereof; a
94 budget showing the administrative expenses of the authority; a report
95 of revenues of the authority from all sources and of the redistribution
96 of any surplus revenues. The authority shall be subject to audit by the
97 Auditors of Public Accounts in accordance with normal auditing
98 practices prescribed for departments, boards, commissions and other
99 agencies of the state.

100 Sec. 4. (NEW) (*Effective from passage*) The Connecticut Electricity
101 Procurement Authority shall make the following information available
102 to the public through the Internet, except for any such information
103 which is not required to be disclosed to the public pursuant to the
104 Freedom of Information Act, as defined in section 1-200 of the general
105 statutes:

106 (1) The schedule of meetings of the board of directors of the
107 authority and each committee established by said board, not later than
108 seven days after such schedule is established;

109 (2) Draft minutes of each meeting of the board of directors of the
110 authority and each committee established by said board, not later than
111 seven days after each such meeting is held;

112 (3) An annual plan of operations, not later than seven days after the
113 plan is promulgated;

114 (4) Each report that the authority is required to submit to the
115 General Assembly pursuant to the general statutes, not later than
116 seven days after the report is submitted;

117 (5) Each audit of the authority conducted by the Auditors of Public
118 Accounts, each compliance audit of the authority's activities conducted
119 pursuant to section 1-122 of the general statutes and each audit
120 conducted by an independent auditing firm, not later than seven days
121 after each such audit is received by the board of directors of the
122 authority; and

123 (6) A report on any contract between the authority and a person,
124 other than a director, officer or employee of the authority, for the
125 purpose of influencing any legislative or administrative action on
126 behalf of the authority or providing legal advice to the authority. The
127 report shall indicate for each such contract (A) the names of the parties
128 to the contract, (B) the cost of the contract, (C) the term of the contract,
129 (D) a summary of the services to be provided under the contract, (E)
130 the method used by the authority to award the contract, and (F) a
131 summary of the authority's need for the services provided under the
132 contract. Such report shall be made available through the Internet not
133 later than fifteen days after the contract is executed between the
134 authority and the person.

135 Sec. 5. (NEW) (*Effective from passage*) The Connecticut Electricity
136 Procurement Authority shall have power to:

137 (1) Employ a staff;

138 (2) Establish offices where necessary in the state of Connecticut;

139 (3) Make and enter into any contract or agreement necessary or
140 incidental to the performance of its duties and execution of its powers;

- 141 (4) Sue and be sued;
- 142 (5) Have a seal and alter it at pleasure;
- 143 (6) Make and alter bylaws and rules and regulations with respect to
144 the exercise of its own powers;
- 145 (7) Conduct such hearings, examinations and investigations as may
146 be necessary and appropriate to the conduct of its operations and the
147 fulfillment of its responsibilities;
- 148 (8) Obtain access to public records and apply for the process of
149 subpoena if necessary to produce books, papers, records and other
150 data;
- 151 (9) Charge reasonable fees for the services it performs and waive,
152 suspend, reduce or otherwise modify such fees, in accordance with
153 criteria established by the authority;
- 154 (10) Purchase, lease or rent such real and personal property as it
155 may deem necessary, convenient or desirable;
- 156 (11) Appoint such state and local advisory councils as it may from
157 time to time deem advisable;
- 158 (12) Otherwise, do all things necessary for the performance of its
159 duties, the fulfillment of its obligations and the conduct of its
160 operations;
- 161 (13) Receive and accept, from any source, aid or contributions,
162 including money, property, labor and other things of value;
- 163 (14) Invest any funds not needed for immediate use or disbursement
164 in obligations issued or guaranteed by the United States of America or
165 the state of Connecticut and in obligations that are legal investments
166 for savings banks in this state; and
- 167 (15) Adopt regular procedures for exercising its power under

168 sections 1 to 12, inclusive, of this act not in conflict with other
169 provisions of the general statutes.

170 Sec. 6. (NEW) (*Effective from passage*) The Connecticut Electricity
171 Procurement Authority established in section 1 of this act shall have
172 the power to:

173 (1) Accept gifts, grants or loans of funds, property or service from
174 any source, public or private and comply, subject to the provisions of
175 sections 1 to 12, inclusive, of this act, with the terms and conditions
176 thereof;

177 (2) Receive funds from the sale of the bonds or other obligations of
178 municipal and regional authorities and from the sale of obligations of
179 the authority and its real and personal properties;

180 (3) Accept from a federal agency loans or grants for use in carrying
181 out its purposes and enter into agreements with such agency
182 respecting any such loans or grants;

183 (4) (A) In connection with, or incidental to, the issuance or carrying
184 of bonds, or acquisition or carrying of any investment or program of
185 investment, the authority may enter into any contract which the
186 authority determines to be necessary or appropriate to place the
187 obligation or investment of the authority, as represented by the bonds,
188 investment or program of investment and the contract or contracts, in
189 whole or in part, on the interest rate, currency, cash flow, or other basis
190 desired by the authority, including, without limitations, contracts
191 commonly known as interest rate swap agreements, currency swap
192 agreements, forward payment conversion agreements, futures or
193 contracts providing for payments based on levels of, or changes in,
194 interest rates, currency exchange rates, stock or other indices or
195 contracts to exchange cash flows or a series of payments or contracts,
196 including, without limitation, interest rate floors or caps, options, puts
197 or calls to hedge payment, currency, rate, spread, or similar exposure
198 or, contracts for the purchase of option rights with respect to the

199 mandatory or optional tender for purchase or redemption of bonds,
200 notes or other obligations of the authority, which are subject to
201 mandatory or optional tender or redemption, including the issuance of
202 certificates evidencing the right of the owner to exercise such option
203 rights. These contracts or arrangements may also be entered into by
204 the authority in connection with, or incidental to, entering into or
205 maintaining any agreement which secures its bonds, notes or other
206 obligations, subject to the terms and conditions thereof respecting
207 outstanding obligations;

208 (B) Bonds issued by the authority may be payable in accordance
209 with their terms, in whole or in part, in currency other than lawful
210 currency of the United States of America, provided the authority enter
211 into a currency swap or similar agreement for payments in lawful
212 currency of the United States of America, which covers the entire
213 amount of the debt service payment obligation of the authority with
214 respect to the bonds payable in other currency, and provided further,
215 that if the term of that agreement is less than the term of the bonds, the
216 authority shall include a best efforts covenant to enter into additional
217 agreements as may be necessary to cover the entire amount of the debt
218 service payment obligation;

219 (C) In connection with, or incidental to, the issuance or carrying of
220 bonds, notes or other obligations or entering into any of the contracts
221 or agreement referred to in subparagraph (A) of this subdivision, the
222 authority may enter into credit enhancement or liquidity agreements,
223 with payment, interest rate, currency, security, default, remedy and
224 other terms and conditions as the authority determines.

225 Sec. 7. (NEW) (*Effective from passage*) (a) Subject to the approval of
226 the State Treasurer, and any other limitations of sections 1 to 12,
227 inclusive, of this act the authority may borrow money and issue its
228 bonds and notes from time to time and use the proceeds thereof for the
229 purposes and powers of the authority and to accomplish the purposes
230 of sections 1 to 12, inclusive, of this act and to pay all of the costs of the

231 Connecticut Electricity Procurement Authority incident to and
232 necessary in connection with the carrying out of such purposes,
233 including providing funds to be paid into any fund or funds to secure
234 such bonds or notes in such principal amount subject to the provisions
235 of sections 1 to 12, inclusive, of this act as in the opinion of the
236 authority, shall be necessary to provide sufficient funds for
237 implementing such powers and achieving such purposes. The notes
238 and bonds issued by the authority shall be general obligations of the
239 authority payable out of any revenues or other receipts, funds or
240 moneys of the authority, subject only to any agreements with the
241 holders of particular notes or bonds pledging any particular revenues,
242 receipts, funds or moneys except as otherwise expressly provided by
243 resolution of the authority and in such event such bonds or notes shall
244 be special obligations of the authority payable solely from any
245 revenues or other receipts, funds or moneys of the authority pledged
246 therefor and subject only to any agreements with the holders of
247 particular notes and bonds pledging any particular revenues, receipts,
248 funds or moneys. Such bonds or notes may be executed and delivered
249 in such manner and at such times, may be in such form and
250 denominations and of such tenor and maturity or maturities, may be in
251 bearer or registered form, as to principal and interest or as to principal
252 alone, may be payable at such time or times in the case of any such
253 note or renewals thereof not exceeding five years from the date of issue
254 of such note and in the case of any such bond not exceeding forty years
255 from the date thereof, may be payable at such place or places whether
256 within or without the state, may bear interest at such rate or rates
257 payable at such time or times and at such place or places and
258 evidenced in such manner, and may contain such provisions not
259 inconsistent with sections 1 to 12, inclusive, of this act, as shall be
260 provided in the resolution of the authority authorizing the issuance of
261 the bonds or notes.

262 (b) Issuance by the authority of one or more series of bonds or notes
263 for one or more purposes shall not preclude it from issuing other
264 bonds or notes in connection with the same project or any other

265 projects, but the proceeding wherein any subsequent bonds or notes
266 may be issued shall recognize and protect any prior pledge made for
267 any prior issue of bonds or notes unless in the resolution authorizing
268 such prior issue the right is reserved to issue subsequent bonds on a
269 parity with such prior issue.

270 (c) Subject to the approval of the State Treasurer, any bonds or notes
271 of the authority may be sold at such price or prices, at public or private
272 sale, in such manner and from time to time as may be determined by
273 the authority, and the authority may pay all costs, expenses, premiums
274 and commissions which it may deem necessary or advantageous in
275 connection with the issuance and sale thereof; and any moneys of the
276 authority, including proceeds from the sale of any bonds and notes,
277 and revenues, receipts and income from any of its projects, may be
278 invested and reinvested in such obligations, securities and other
279 investments or deposited or redeposited in such bank or banks as shall
280 be provided in the resolution or resolutions of the authority
281 authorizing the issuance of the bonds and notes.

282 (d) The authority is authorized to provide for the issuance of its
283 bonds for the purpose of refunding any bonds of the authority then
284 outstanding, including the payment of any redemption premium
285 thereon and any interest accrued or to accrue to the earliest or
286 subsequent date of redemption, purchase or maturity of such bonds,
287 and, if deemed advisable by the authority, for the additional purpose
288 of paying all or any part of the cost of constructing and acquiring
289 additions, improvements, extension or enlargements of a project or
290 any portion thereof. The proceeds of any such bonds issued for the
291 purpose of refunding outstanding bonds may, in the discretion of the
292 authority, be applied to the purchase or retirement at maturity or
293 redemption of such outstanding bonds either on their earliest or any
294 subsequent redemption date, and may, pending such application, be
295 placed in escrow to be applied to such purchase or retirement at
296 maturity or redemption on such date as may be determined by the
297 authority.

298 (e) Whether or not the bonds or notes are of such form and character
299 as to be negotiable instruments under article 8 of title 42a of the
300 general statutes, the bonds or notes shall be and are hereby made
301 negotiable instruments within the meaning of and for all the purposes
302 of article 8 of said title 42a, subject only to the provisions of the bonds
303 or notes for registration.

304 Sec. 8. (NEW) (*Effective from passage*) The exercise of the powers
305 granted by sections 1 to 12, inclusive, of this act constitute the
306 performance of an essential governmental function and the
307 Connecticut Electricity Procurement Authority established in section 1
308 of this act shall not be required to pay any taxes or assessments upon
309 or in respect of a project, or any property or moneys of the authority,
310 levied by any municipality or political subdivision or special district
311 having taxing powers of the state, nor shall the authority be required
312 to pay state taxes of any kind, and the authority, its projects, property
313 and money and any bonds and notes issued under the provisions of
314 sections 1 to 12, inclusive of this act, their transfer and the income
315 therefrom, including revenues derived from the sale thereof, shall at all
316 times be free from taxation of every kind by the state except for estate
317 or succession taxes and by the municipalities and all other political
318 subdivisions or special districts having taxing powers of the state.

319 Sec. 9. (NEW) (*Effective from passage*) Bonds issued by the
320 Connecticut Electricity Procurement Authority under the provisions of
321 sections 1 to 12, inclusive, of this act are hereby made securities in
322 which all public officers and public bodies of the state and its political
323 subdivisions, all insurance companies, credit unions, building and loan
324 associations, investment companies, banking associations, trust
325 companies, executors, administrators, trustees and other fiduciaries
326 and pension, profit-sharing and retirement funds may properly and
327 legally invest funds, including capital in their control or belonging to
328 them. Such bonds are hereby made securities which may properly and
329 legally be deposited with and received by any state or municipal
330 officer or any agency or political subdivision of the state for any

331 purpose for which the deposit of bonds or obligations of the state is
332 now or may hereafter, be authorized by law.

333 Sec. 10. (NEW) (*Effective from passage*) (a) Bonds or notes of the
334 Connecticut Electricity Procurement Authority established in section 1
335 of this act issued under the provisions of sections 1 to 12, inclusive, of
336 this act shall not be deemed to constitute a debt or liability of the state
337 or of any municipality thereof or a pledge of the faith and credit of the
338 state or of any such municipality, and shall not constitute bonds or
339 notes issued or guaranteed by the state within the meaning of section
340 3-21 of the general statutes, but shall be payable solely from the
341 revenues and funds herein provided therefor. All such bonds or notes
342 shall contain on the face thereof a statement to the effect that neither
343 the state of Connecticut nor any municipality thereof other than the
344 authority shall be obligated to pay the same or the interest thereon and
345 that neither the faith and credit nor the taxing power of the state of
346 Connecticut or of any such municipality is pledged to the payment of
347 the principal of or the interest on such bonds or notes.

348 (b) The authority may create and establish one or more reserve
349 funds to be known as special capital reserve funds and may pay into
350 such special capital reserve funds (1) any moneys appropriated and
351 made available by the state for the purposes of such funds, (2) any
352 proceeds of the sale of notes or bonds, to the extent provided in the
353 resolution of the authority authorizing the issuance thereof, and (3)
354 any other moneys which may be made available to the authority for
355 the purpose of such funds from any other source or sources. The
356 moneys held in or credited to any special capital reserve fund
357 established under this section, except as provided in this section, shall
358 be used solely for the payment of the principal of bonds of the
359 authority secured by such capital reserve fund as the same become
360 due, the purchase of such bonds of the authority, the payment of
361 interest on such bonds of the authority or the payment of any
362 redemption premium required to be paid when such bonds are
363 redeemed prior to maturity; provided, the authority shall have power

364 to provide that moneys in any such fund shall not be withdrawn
365 therefrom at any time in such amount as would reduce the amount of
366 such funds to less than the maximum amount of principal and interest
367 becoming due by reason of maturity or a required sinking fund
368 installment in any succeeding calendar year on the bonds of the
369 authority then outstanding and secured by such special capital reserve
370 fund, such amount being herein referred to as the "required minimum
371 capital reserve", except for the purpose of paying such principal of,
372 redemption premium and interest on such bonds of the authority
373 secured by such special capital reserve becoming due and for the
374 payment of which other moneys of the authority are not available. The
375 authority may provide that it shall not issue bonds at any time if the
376 required minimum capital reserve on the bonds outstanding and the
377 bonds then to be issued and secured by a special capital reserve fund
378 will exceed the amount of such special capital reserve fund at the time
379 of issuance, unless the authority, at the time of the issuance of such
380 bonds, shall deposit in such special capital reserve fund from the
381 proceeds of the bonds so to be issued, or otherwise, an amount which,
382 together with the amount then in such special capital reserve fund, will
383 be not less than the required minimum capital reserve. On or before
384 December first, annually, there is deemed to be appropriated from the
385 state General Fund such sums, if any, as shall be certified by the
386 chairman of the authority to the Secretary of the Office of Policy and
387 Management and the State Treasurer, as necessary to restore each such
388 special capital reserve fund to the amount equal to the required
389 minimum capital reserve of such fund, and such amounts shall be
390 allotted and paid to the authority. For the purpose of evaluation of any
391 such special capital reserve fund, obligations acquired as an
392 investment for any such fund shall be valued at amortized cost.
393 Nothing contained in this section shall preclude the authority from
394 establishing and creating other debt service reserve funds in
395 connection with the issuance of bonds or notes of the authority. Subject
396 to any agreement or agreements with holders of outstanding notes and
397 bonds of the authority, any amount or amounts allotted and paid to

398 the authority pursuant to this section shall be repaid to the state from
399 moneys of the authority at such time as such moneys are not required
400 for any other of its corporate purposes and in any event shall be repaid
401 to the state on the date one year after all bonds and notes of the
402 authority theretofore issued on the date or dates such amount or
403 amounts are allotted and paid to the authority or thereafter issued,
404 together with interest on such bonds and notes, with interest on any
405 unpaid installments of interest and all costs and expenses in
406 connection with any action or proceeding by or on behalf of the
407 holders thereof, are fully met and discharged. Notwithstanding any
408 other provisions contained in sections 1 to 12, inclusive, of this act, the
409 aggregate amount of bonds outstanding at any time, secured by such
410 special capital reserve funds authorized to be created and established
411 by this section shall not exceed seven hundred twenty-five million
412 dollars.

413 (c) Subject to any agreement or agreements with holders of
414 outstanding bonds, notes or other obligations, the authority may apply
415 moneys in any special capital reserve fund or any other fund of the
416 authority to purchase a financial guaranty or financial guaranties
417 secured or unsecured as the authority may determine. For purposes of
418 this section, financial guaranty means any letter of credit, surety
419 bonds, insurance policy, guaranty or similar instrument issued by a
420 bond or insurance company or other financial institution that provides
421 for moneys to be available for the purposes to which and at the times
422 by which moneys in each such fund may be required.

423 Sec. 11. (NEW) (*Effective from passage*) The reserve funds of the
424 Connecticut Electricity Procurement Authority, as provided for in
425 section 10 of this act, shall be paid to the State Treasurer as agent of the
426 authority, who shall not commingle such moneys with any other
427 moneys. Such moneys shall be deposited in a separate bank account or
428 accounts. The moneys in such accounts shall be paid by checks signed
429 by the State Treasurer on requisition of the chairman of the authority
430 or of such other officer or employee or officers or employees of the

431 authority as the authority shall authorize to make such requisition.
 432 Notwithstanding the foregoing, the authority shall have power, subject
 433 to the approval of the State Treasurer, to contract with the holders of
 434 any of its bonds or notes, as to the custody, collection, securing,
 435 investment and payment of any reserve funds of the authority, or of
 436 any moneys held in trust or otherwise for the payment of bonds or
 437 notes, and to carry out such contracts. Any officer with whom, or any
 438 bank or trust company with which such moneys shall be deposited as
 439 trustee thereof shall hold and apply the same for the purposes thereof,
 440 subject to such provisions as sections 1 to 12, inclusive, of this act and
 441 the resolution authorizing the issue of the bonds or notes or the trust
 442 agreement securing such bonds or notes may provide.

443 Sec. 12. (NEW) (*Effective from passage*) The state of Connecticut does
 444 hereby pledge to and agree with the holders of any bonds and notes
 445 issued under sections 1 to 12, inclusive, of this act and with those
 446 parties who may enter into contracts with the Connecticut Electricity
 447 Procurement Authority or its successor agency pursuant to the
 448 provisions of sections 1 to 12, inclusive, of this act that the state will
 449 not limit or alter the rights hereby vested in the authority until such
 450 obligations, together with the interest thereon, are fully met and
 451 discharged and such contracts are fully performed on the part of the
 452 authority, provided nothing contained in this section shall preclude
 453 such limitation or alteration if and when adequate provision shall be
 454 made by law for the protection of the holders of such bonds and notes
 455 of the authority or those entering into such contracts with the
 456 authority. The authority is authorized to include this pledge and
 457 undertaking for the state in such bonds and notes or contracts.

458 Sec. 13. Section 16-244b of the general statutes is repealed and the
 459 following is substituted in lieu thereof (*Effective from passage*):

460 (a) All customers of electric distribution companies, as defined in
 461 section 16-1, shall have the opportunity to purchase electric generation
 462 services from their choice of electric suppliers, as defined in said

463 section 16-1, in a competitive generation market in accordance with the
 464 schedule provided in this section. On and after January 1, 2000, up to
 465 thirty-five per cent of the peak load of each rate class of an electric
 466 company or electric distribution company, as the case may be, may
 467 choose an electric supplier to provide their electric generation services,
 468 provided such customers shall be located in distressed municipalities,
 469 as defined in section 32-9p. In the event that the number of customers
 470 exceeds thirty-five per cent of such load, preference shall be given to
 471 customers located in distressed municipalities with a population
 472 greater than one hundred thousand persons. Participation shall be
 473 determined on a first-come, first-served basis. As of July 1, 2000, all
 474 customers shall have the opportunity to choose an electric supplier. On
 475 and after January 1, 2000, electric generation services shall be provided
 476 in accordance with section 16-244c to any customer who has not
 477 chosen an electric supplier or has declined, failed or been unable to
 478 enter into or maintain a contract for electric generation services with an
 479 electric supplier. The Department of Public Utility Control may adopt
 480 regulations in accordance with chapter 54 to implement the phase-in
 481 schedule provided in this subsection.

482 (b) Notwithstanding subsection (a) of this section, on or before
 483 September 1, 2008, and annually thereafter, any electric customer who
 484 is (1) a senior citizen, sixty-two years of age and older, or (2) physically
 485 disabled or blind, as defined in section 1-1f, shall have the opportunity
 486 to choose as their electric supplier the Connecticut Electricity
 487 Procurement Authority established pursuant to section 1 of this act.

488 Sec. 14. Section 16-244d of the general statutes is repealed and the
 489 following is substituted in lieu thereof (*Effective from passage*):

490 (a) Not later than December 1, 1998, the Department of Public
 491 Utility Control shall develop a comprehensive public education
 492 outreach program to educate customers about the implementation of
 493 retail competition among electric suppliers, as defined in section 16-1.
 494 The goals of the program shall be to maximize public information,

495 minimize customer confusion and equip all customers to participate in
496 a restructured generation market. The program shall include, but not
497 be limited to: (1) The dissemination of information through mass
498 media, interactive approaches and written materials with the goal of
499 reaching every electric customer; (2) the conduct of public forums in
500 different geographical areas of the state to foster public input and
501 provide opportunities for an exchange of questions and answers; (3)
502 involvement of community-based organizations in developing
503 messages and in devising and implementing education strategies; (4)
504 targeted efforts to reach rural, low income, elderly, foreign language,
505 disabled, ethnic minority and other traditionally underserved
506 populations; and (5) periodic evaluations of the effectiveness of
507 educational efforts. The department shall assign one individual within
508 the department to coordinate the outreach program and oversee the
509 education process. The department shall begin to implement the
510 outreach program not later than January 1, 1999.

511 (b) There shall be established a Consumer Education Advisory
512 Council which shall advise the outreach program coordinator on the
513 development and implementation of the outreach program until the
514 termination of the standard offer under section 16-244c. Membership
515 of the advisory council shall be established by the Consumer Counsel
516 not later than December 1, 1998, and shall include, but not be limited
517 to, representatives of the Department of Public Utility Control, the
518 Office of Consumer Counsel, the Office of the Attorney General, the
519 Office of Policy and Management, the Department of Environmental
520 Protection, community and business organizations, consumer groups,
521 including, but not limited to, a group that represents hardship
522 customers, as defined in section 16-262c, electric distribution
523 companies and electric suppliers. The advisory council shall determine
524 the information to be distributed to customers as part of the education
525 effort such as customers' rights and obligations in a restructured
526 environment, how customers can exercise their right to participate in
527 retail access, the types of electric suppliers expected to be licensed
528 including the possibility of load aggregation, electric generation

529 services options that will be available, the environmental
530 characteristics of different types of generation facilities and other
531 information determined by the advisory council to be necessary for
532 customers. The advisory council shall advise the outreach program
533 coordinator on the methods of distributing information in accordance
534 with subsection (a) of this section and the timing of such distribution.
535 The advisory council shall meet on a regular basis and report to the
536 outreach program coordinator as it deems appropriate until
537 termination of the advisory council's role upon the termination of the
538 standard offer under section 16-244c.

539 (c) Not later than December 1, 1998, the Department of Public Utility
540 Control shall submit a report to the joint standing committee of the
541 General Assembly having cognizance of matters relating to energy,
542 outlining the scope of the education outreach program developed by
543 the department and identifying the individual acting as outreach
544 program coordinator and the membership of the advisory council.

545 (d) The department may retain a consultant in accordance with
546 section 16-18a to assist in developing and implementing the public
547 education outreach program, provided the authorization to retain such
548 consultant shall expire December 31, 2005. The reasonable and proper
549 expenses for retaining the consultant and implementing the outreach
550 program shall be reimbursed through the systems benefits charge as
551 provided in subsection (b) of said section 16-18a.

552 (e) The advisory council shall, in consultation with the Connecticut
553 Academy of Science and Engineering and the New England
554 Conference of Public Utility Commissioners, analyze the
555 environmental costs and benefits of the following categories of energy
556 sources: (1) Class I renewable energy sources by type; (2) Class II
557 renewable energy sources by type; (3) facilities using coal, natural gas,
558 oil or other petroleum products as fuel which facilities are subject to
559 the New Source Performance Standards in the federal Clean Air Act
560 for such facilities; (4) facilities using coal, natural gas, oil or other

561 petroleum products as fuel which facilities are not subject to the New
562 Source Performance Standards; (5) nuclear power generating facilities;
563 and (6) hydropower that does not meet the criteria for a Class II
564 renewable energy source. The advisory council shall establish uniform
565 standards for the disclosure of information to allow customers to easily
566 compare rates of air pollutant emissions and the resource mix of
567 various energy sources of electric suppliers.

568 (f) The Department of Public Utility Control, in consultation with
569 the Office of Consumer Counsel, shall establish a program for the
570 dissemination of information regarding electric suppliers. Such
571 program shall require electric distribution companies to distribute an
572 informational summary on electric suppliers to any new customer and
573 to existing customers beginning on January 1, 2004, and semiannually
574 thereafter. Such informational summary shall be developed by the
575 department and shall include, but not be limited to, the name of each
576 licensed electric supplier, the state where the supplier is based,
577 information on whether the supplier has active offerings for either
578 residential or commercial and industrial consumers, the telephone
579 number and Internet address of the supplier, and information as to
580 whether the supplier offers electric generation services from renewable
581 energy sources in excess of the portfolio standards established
582 pursuant to section 16-245a. The department shall include pricing
583 information in the informational summary to the extent the
584 department determines feasible. The department shall post the
585 informational summary in a conspicuous place on its website and
586 provide electronic links to the website of each supplier. The
587 department shall update the informational summary on its website on
588 at least a quarterly basis.

589 (g) The Department of Public Utility Control, in consultation with
590 the Office of Consumer Counsel, the Department of Social Services and
591 the Consumer Education Advisory Council, shall establish a program
592 for the dissemination of information regarding the Connecticut
593 Electricity Procurement Authority established pursuant to section 1 of

594 this act. Such program shall require electric distribution companies to
 595 distribute an informational summary on said authority to any new
 596 customer and to existing customers beginning on July 1, 2008, and
 597 annually thereafter. The Department of Public Utility Control shall
 598 develop such informational summary, which shall include, but not be
 599 limited to, the telephone number and Internet address of the supplier.
 600 The Department of Public Utility Control shall include pricing
 601 information in the informational summary to the extent the
 602 department determines feasible. The Department of Public Utility
 603 Control shall post the informational summary in a conspicuous place
 604 on its web site and provide electronic links to the web site of said
 605 authority. The Department of Public Utility Control shall update the
 606 informational summary on its web site on at least a quarterly basis.

607 [(g)] (h) The Department of Public Utility Control, in consultation
 608 with the Office of Consumer Counsel and the Consumer Education
 609 Advisory Council, shall, not later than October 1, 2003, develop a plan
 610 for the restart of the education outreach program on or before October
 611 1, 2004, and submit, in accordance with the provisions of section 11-4a,
 612 such plan to the joint standing committee of the General Assembly
 613 having cognizance of matters relating to energy and technology.

614 Sec. 15. Subsection (c) of section 16-244i of the general statutes is
 615 repealed and the following is substituted in lieu thereof (*Effective from*
 616 *passage*):

617 (c) Each electric distribution company shall continue to provide
 618 metering, billing and collection services for electric suppliers and for
 619 the Connecticut Electricity Procurement Authority, established in
 620 section 1 of this act, except that, on and after the effective date of the
 621 regulations adopted pursuant to section 16-245d, which allow an
 622 electric supplier to provide direct billing and collection services for
 623 electric generation services and related federally mandated congestion
 624 costs that such supplier provides to its customers that use a demand
 625 meter or have a maximum demand of not less than five hundred

626 kilowatts and that choose to receive a bill directly from their electric
627 supplier, an electric distribution company shall not provide such
628 billing and collection services for such customers. The department
629 shall determine billing and metering protocols and any appropriate
630 cost-sharing allocations among electric distribution companies and
631 electric suppliers. Notwithstanding an electric supplier's right, in
632 accordance with the general statutes, to terminate its contract with a
633 customer for the provision of generation service by reason of the
634 customer's nonpayment of the charges directly billed by the supplier to
635 the customer, an electric supplier shall not disconnect electric service
636 to the customer or otherwise terminate the physical delivery of
637 electricity to customers directly billed by the electric supplier.

638 Sec. 16. Section 16-245d of the general statutes is repealed and the
639 following is substituted in lieu thereof (*Effective from passage*):

640 (a) The Department of Public Utility Control shall, by regulations
641 adopted pursuant to chapter 54, develop a standard billing format that
642 enables customers to compare pricing policies and charges among
643 electric suppliers and the Connecticut Electricity Procurement
644 Authority, established in section 1 of this act. Not later than January 1,
645 2006, the department shall adopt regulations, in accordance with the
646 provisions of chapter 54, to provide that an electric supplier may
647 provide direct billing and collection services for electric generation
648 services and related federally mandated congestion charges that such
649 supplier provides to its customers that have a maximum demand of
650 not less than one hundred kilowatts and that choose to receive a bill
651 directly from such supplier. An electric company, electric distribution
652 company or electric supplier that provides direct billing of the electric
653 generation service component and related federally mandated
654 congestion charges, as the case may be, shall, in accordance with the
655 billing format developed by the department, include the following
656 information in each customer's bill, as appropriate: (1) The total
657 amount owed by the customer, which shall be itemized to show, (A)
658 the electric generation services component and any additional charges

659 imposed by the electric supplier, if applicable, (B) the distribution
 660 charge, including all applicable taxes and the systems benefits charge,
 661 as provided in section 16-245l, (C) the transmission rate as adjusted
 662 pursuant to subsection (d) of section 16-19b, (D) the competitive
 663 transition assessment, as provided in section 16-245g, (E) federally
 664 mandated congestion charges, and (F) the conservation and renewable
 665 energy charge, consisting of the conservation and load management
 666 program charge, as provided in section 16-245m, and the renewable
 667 energy investment charge, as provided in section 16-245n; (2) any
 668 unpaid amounts from previous bills which shall be listed separately
 669 from current charges; (3) except for customers subject to a demand
 670 charge, the rate and usage for the current month and each of the
 671 previous twelve months in the form of a bar graph or other visual
 672 form; (4) the payment due date; (5) the interest rate applicable to any
 673 unpaid amount; (6) the toll-free telephone number of the electric
 674 distribution company to report power losses; (7) the toll-free telephone
 675 number of the Department of Public Utility Control for questions or
 676 complaints; (8) the toll-free telephone number and address of the
 677 electric supplier; and (9) a statement about the availability of
 678 information concerning electric suppliers pursuant to section 16-245p.

679 (b) The regulations shall provide guidelines for determining the
 680 billing relationship between the electric distribution company and
 681 electric suppliers or the Connecticut Electricity Procurement
 682 Authority, including, but not limited to, the allocation of partial bill
 683 payments and late payments between the electric distribution
 684 company and the electric supplier. An electric distribution company
 685 that provides billing services for an electric supplier or the Connecticut
 686 Electricity Procurement Authority shall be entitled to recover from the
 687 electric supplier all reasonable transaction costs to provide such billing
 688 services as well as a reasonable rate of return, in accordance with the
 689 principles in subsection (a) of section 16-19e.

690 Sec. 17. Section 16-245q of the general statutes is repealed and the
 691 following is substituted in lieu thereof (*Effective from passage*):

692 (a) A customer may change his electric supplier, as defined in
693 section 16-1, at any time. The electric distribution company, as defined
694 in said section 16-1, and electric supplier may each charge a reasonable
695 fee, as approved by the Department of Public Utility Control, to make
696 a change in the customer's supplier to reflect the actual cost to read the
697 customer's meter and make changes in its billing records, except that
698 every customer may seek a change in his electric supplier without
699 charge once in any twelve-month period if the change occurs at the
700 end of the customer's regularly scheduled meter reading and billing
701 cycle.

702 (b) Notwithstanding subsection (a) of this section, any customer
703 who is (1) a senior citizen, sixty-two years of age and older, or (2)
704 physically disabled or blind, as defined in section 1-1f, may choose the
705 Connecticut Electricity Procurement Authority, established in section 1
706 of this act, as its electric supplier. Said customer's current supplier,
707 whether an electric distribution company, as defined in section 16-1, or
708 an electric supplier, as defined in said section 16-1, may charge a
709 reasonable fee, as approved by the Department of Public Utility
710 Control, to make a change in the customer's supplier to reflect the
711 actual cost to read the customer's meter and make changes in its billing
712 records.

713 Sec. 18. (*Effective from passage*) (a) For the calendar year 2007, each
714 electric distribution company and electric supplier shall offer an
715 electricity conservation incentive program to its customers. Said
716 program shall compare electricity usage during the period beginning
717 on June 1, 2007, and ending on August 31, 2007, and during the same
718 period in 2006 and give customers a conservation incentive.

719 (b) Electric distribution companies shall issue credits to customers
720 on the electricity bill that covers October 1, 2007, and shall calculate
721 said credits as follows: (1) Any customer who uses ten per cent less
722 electricity during the 2007 period shall earn a credit equal to five per
723 cent of the billed charges from June 1, 2007, to August 31, 2007; (2) any

724 customer who uses fifteen per cent less electricity during the 2007
725 period shall earn a credit equal to ten per cent of the billed charges
726 from June 1, 2007, to August 31, 2007; and (3) any customer who uses
727 twenty per cent less electricity during the 2007 period shall earn a
728 credit equal to twenty per cent of the billed charges from June 1, 2007,
729 to August 31, 2007.

730 (c) Not later than March 1, 2007, the Department of Public Utility
731 Control shall conduct an uncontested docket to design the parameters
732 of the program established in subsection (a) of this section.

733 Sec. 19. Subsection (a) of section 16-245l of the general statutes is
734 repealed and the following is substituted in lieu thereof (*Effective from*
735 *passage*):

736 (a) The Department of Public Utility Control shall establish and each
737 electric distribution company shall collect a systems benefits charge to
738 be imposed against all end use customers of each electric distribution
739 company beginning January 1, 2000. The department shall hold a
740 hearing that shall be conducted as a contested case in accordance with
741 chapter 54 to establish the amount of the systems benefits charge. The
742 department may revise the systems benefits charge or any element of
743 said charge as the need arises. The systems benefits charge shall be
744 used to fund (1) the expenses of the public education outreach
745 program developed under subsections (a), (f) and (g) of section 16-
746 244d other than expenses for department staff, (2) the reasonable and
747 proper expenses of the education outreach consultant pursuant to
748 subsection (d) of section 16-244d, (3) the cost of hardship protection
749 measures under sections 16-262c and 16-262d and other hardship
750 protections, including, but not limited to, electric service bill payment
751 programs, funding and technical support for energy assistance, fuel
752 bank and weatherization programs and weatherization services, (4) the
753 payment program to offset tax losses described in section 12-94d, (5)
754 any sums paid to a resource recovery authority pursuant to subsection
755 (b) of section 16-243e, (6) low income conservation programs approved

756 by the Department of Public Utility Control, (7) displaced worker
757 protection costs, (8) unfunded storage and disposal costs for spent
758 nuclear fuel generated before January 1, 2000, approved by the
759 appropriate regulatory agencies, (9) postretirement safe shutdown and
760 site protection costs that are incurred in preparation for
761 decommissioning, (10) decommissioning fund contributions, (11) the
762 costs of temporary electric generation facilities incurred pursuant to
763 section 16-19ss, (12) operating expenses for the Connecticut Energy
764 Advisory Board, [and] (13) legal, appraisal and purchase costs of a
765 conservation or land use restriction and other related costs as the
766 department in its discretion deems appropriate, incurred by a
767 municipality on or before January 1, 2000, to ensure the environmental,
768 recreational and scenic preservation of any reservoir located within
769 this state created by a pump storage hydroelectric generating facility,
770 and (14) expenses related to the electricity conservation incentive
771 program established in section 18 of this act. As used in this
772 subsection, "displaced worker protection costs" means the reasonable
773 costs incurred, prior to January 1, 2008, (A) by an electric supplier,
774 exempt wholesale generator, electric company, an operator of a
775 nuclear power generating facility in this state or a generation entity or
776 affiliate arising from the dislocation of any employee other than an
777 officer, provided such dislocation is a result of (i) restructuring of the
778 electric generation market and such dislocation occurs on or after July
779 1, 1998, or (ii) the closing of a Title IV source or an exempt wholesale
780 generator, as defined in 15 USC 79z-5a, on or after January 1, 2004, as a
781 result of such source's failure to meet requirements imposed as a result
782 of sections 22a-197 and 22a-198 and this section or those Regulations of
783 Connecticut State Agencies adopted by the Department of
784 Environmental Protection, as amended from time to time, in
785 accordance with Executive Order Number 19, issued on May 17, 2000,
786 and provided further such costs result from either the execution of
787 agreements reached through collective bargaining for union
788 employees or from the company's or entity's or affiliate's programs
789 and policies for nonunion employees, and (B) by an electric

790 distribution company or an exempt wholesale generator arising from
791 the retraining of a former employee of an unaffiliated exempt
792 wholesale generator, which employee was involuntarily dislocated on
793 or after January 1, 2004, from such wholesale generator, except for
794 cause. "Displaced worker protection costs" includes costs incurred or
795 projected for severance, retraining, early retirement, outplacement,
796 coverage for surviving spouse insurance benefits and related expenses.
797 "Displaced worker protection costs" does not include those costs
798 included in determining a tax credit pursuant to section 12-217bb.

799 Sec. 20. (*Effective from passage*) During the calendar year 2007,
800 Operation Fuel, Incorporated, shall establish a one-time clean-slate
801 program to target low-income persons with high arrearages. Said
802 program shall constitute a one-time grant based on the recipient's
803 income and arrearage amount. Grants shall only apply to arrearages
804 no more than twenty-four months old and shall not exceed one
805 thousand dollars. Said program shall also incorporate case
806 management services, including, but not limited to, budget counseling
807 and assistance with utility payment programs.

808 Sec. 21. Section 16a-41h of the general statutes is repealed and the
809 following is substituted in lieu thereof (*Effective from passage*):

810 (a) Each electric and gas company, as defined in section 16-1, having
811 at least seventy-five thousand customers, shall include in its monthly
812 bills a request to each customer to add a one-dollar donation to the bill
813 payment. Each company shall transmit all such donations received
814 each month to Operation Fuel, Inc., a state-wide nonprofit
815 organization designed to respond to people within the state who are in
816 financial crisis and need emergency energy assistance. Donations shall
817 be distributed to nonprofit social services agencies and private fuel
818 banks in accordance with guidelines established by the board of
819 directors of Operation Fuel, Inc., provided such funds shall be
820 distributed on a priority basis to low-income elderly and working poor
821 households which are not eligible for public assistance or state-

822 administered general assistance but are faced with a financial crisis
823 and are unable to make timely payments on [winter] fuel, electricity or
824 gas bills.

825 (b) If Operation Fuel, Inc. ceases to exist, such electric and gas
826 companies shall jointly establish a nonprofit, tax-exempt corporation
827 for the purpose of holding in trust and distributing such customer
828 donations. The board of directors of such corporation shall consist of
829 eleven members appointed as follows: Four by the companies, each of
830 which shall appoint one member; one by the president pro tempore of
831 the Senate; one by the minority leader of the Senate; one by the speaker
832 of the House of Representatives; one by the minority leader of the
833 House of Representatives; and three by the Governor. The board shall
834 distribute such funds to nonprofit organizations and social service
835 agencies which provide emergency energy or fuel assistance. The
836 board shall target available funding on a priority basis to low-income
837 elderly and working poor households which are not eligible for public
838 assistance or state-administered general assistance but are faced with a
839 financial crisis and are unable to make timely payments on [winter]
840 fuel, electricity or gas bills.

841 (c) Not later than the first of September annually, Operation Fuel,
842 Inc. shall submit to the General Assembly a report on the
843 implementation of this section. Such report shall include, (1) a
844 summary of the effectiveness of the program, (2) the total amount of
845 the donations received by electric and gas companies and transmitted
846 to Operation Fuel, Inc. under subsection (b) of this section, and (3) an
847 accounting of the distribution of such funds by Operation Fuel, Inc.
848 indicating the organizations and agencies receiving funds, the amounts
849 received and distributed by each such organization and agency and
850 the number of households each assisted. On and after October 1, 1996,
851 the report shall be submitted to the joint standing committee of the
852 General Assembly having cognizance of matters relating to energy
853 and, upon request, to any member of the General Assembly. A
854 summary of the report shall be submitted to each member of the

855 General Assembly if the summary is two pages or less and a
856 notification of the report shall be submitted to each member if the
857 summary is more than two pages. Submission shall be by mailing the
858 report, summary or notification to the legislative address of each
859 member of the committee or the General Assembly, as applicable.

860 Sec. 22. Section 16-245a of the general statutes is amended by adding
861 subsection (g) as follows (*Effective from passage*):

862 (NEW) (g) (1) Notwithstanding the provisions of this section and
863 section 16-244c, for periods beginning on and after January 1, 2008,
864 each electric distribution company may procure renewable energy
865 certificates from Class I and Class II renewable energy sources that
866 represent generation in amounts equal to or greater than fifty per cent
867 of the procurement from Class I and Class II renewable energy sources
868 for each period pursuant to subsection (a) of this section. The electric
869 distribution companies may enter into long-term contracts for not
870 more than fifteen years to procure such renewable energy certificates
871 associated with output and services delivered over the term of the
872 contract. The generation associated with the renewable energy
873 certificates purchased pursuant to this section shall be credited against
874 the required amounts of output and standard service or supplier of last
875 resort service, pursuant to subsection (a) of this section, for the periods
876 which the output and services to which such renewable energy
877 certificates apply is produced.

878 (2) The department shall conduct a contested case proceeding to
879 establish the procedures for the procurement of renewable energy
880 certificates pursuant to this subsection and the recovery of the costs of
881 such program from customers of the electric distribution companies.
882 The department's procedures shall include: (A) The method and
883 timing of crediting of the procurement of renewable energy certificates
884 against the renewable portfolio standard purchase obligations of
885 electric suppliers and the electric distribution companies pursuant to
886 subsection (a) of this section; (B) the terms and conditions, including

887 reasonable performance assurance commitments, to be imposed on
 888 entities seeking to supply renewable energy certificates; and (C)
 889 compensation, not to exceed one mill per kilowatt hour of output and
 890 services associated with the renewable energy certificates purchased
 891 pursuant to this subsection, which shall be payable to the electric
 892 distribution companies for administering the procurement provided
 893 for under this subsection. Revenues from such compensation shall not
 894 be included in calculating the electric distribution companies' earnings
 895 to determine if rates are just and reasonable, for earnings sharing
 896 mechanisms or for purposes of sections 16-19, 16-19a and 16-19e.

897 Sec. 23. Section 4a-67d of the general statutes is repealed and the
 898 following is substituted in lieu thereof (*Effective from passage*):

899 (a) The fleet average for cars or light duty trucks purchased by the
 900 state shall: (1) On and after October 1, 2001, have a United States
 901 Environmental Protection Agency estimated highway gasoline mileage
 902 rating of at least thirty-five miles per gallon and on and after January 1,
 903 2003, have a United States Environmental Protection Agency estimated
 904 highway gasoline mileage rating of at least forty miles per gallon, (2)
 905 comply with the requirements set forth in 10 CFR 490 concerning the
 906 percentage of alternative-fueled vehicles required in the state motor
 907 vehicle fleet, and (3) obtain the best achievable mileage per pound of
 908 carbon dioxide emitted in its class. The alternative-fueled vehicles
 909 purchased by the state to comply with said requirements shall be
 910 capable of operating on natural gas or electricity or any other system
 911 acceptable to the United States Department of Energy that operates on
 912 fuel that is available in the state.

913 (b) Notwithstanding any other provisions of this section, (1) on and
 914 after January 1, 2008, any car or light duty truck purchased by the state
 915 shall have an efficiency rating that is in the top third of all vehicles in
 916 such purchased vehicle's class and fifty per cent of such cars and light
 917 duty trucks shall be an alternative fueled or hybrid electric vehicle, and
 918 (2) on and after January 1, 2010, any car or light duty truck purchased

919 by the state shall have an efficiency rating that is in the top third of all
920 vehicles in such purchased vehicle's class and one hundred per cent of
921 such cars and light duty trucks shall be alternative fueled or hybrid
922 electric vehicles shall be an alternative fueled or hybrid electric vehicle.

923 [(b)] (c) The provisions of [subsection (a)] subsections (a) and (b) of
924 this section shall not apply to cars or light duty trucks purchased for
925 law enforcement or other special use purposes as designated by the
926 Department of Administrative Services.

927 [(c)] (d) As used in this section, the terms "car" and "light duty
928 truck" shall be as defined in the United States Department of Energy
929 Publication DOE/CE -0019/8, or any successor publication.

930 Sec. 24. Subsection (j) of section 16-19b of the general statutes is
931 repealed and the following is substituted in lieu thereof (*Effective July*
932 *1, 2007*):

933 (j) Any purchased gas adjustment clause or energy adjustment
934 clause approved by the department may include a provision designed
935 to allow the electric or gas company to charge or reimburse the
936 customer for any under-recovery or over-recovery of overhead and
937 fixed costs due solely to the deviation of actual retail sales of electricity
938 or gas from projected retail sales of electricity or gas. The provision
939 may be based on changes to either total retail sales or per customer
940 retail sales. The department shall include such provision in any energy
941 adjustment clause approved for an electric company if it determines (1)
942 that a significant cause of excess earnings by the electric company is an
943 increase in actual retail sales of electricity over projected retail sales of
944 electricity as determined at the time of the electric company's most
945 recent rate amendment, and (2) that such provision is likely to benefit
946 the customers of the electric company. The department shall include
947 such provision in any purchased gas adjustment clause or energy
948 adjustment clause approved for a gas company or an electric company
949 on or after the issuance of a final decision in a proceeding on
950 amendments to rate schedules for such company, but shall be

951 instituted on or before January 1, 2009.

952 Sec. 25. Subsection (a) of section 16-243i of the general statutes is
953 repealed and the following is substituted in lieu thereof (*Effective from*
954 *passage*):

955 (a) The Department of Public Utility Control shall, not later than
956 January 1, 2006, establish a program to grant awards to retail end use
957 customers of electric distribution companies to fund the capital costs of
958 obtaining projects of customer-side distributed resources, as defined in
959 section 16-1. Any project shall receive a one-time, nonrecurring award
960 in an amount of not less than two hundred dollars and not more than
961 five hundred dollars per kilowatt of capacity for such customer-side
962 distributed resources, recoverable from federally mandated congestion
963 charges, as defined in section 16-1. No such award may be made
964 unless the projected reduction in federally mandated congestion
965 charges attributed to the project for such distributed resources is
966 greater than the amount of the award. The amount of an award shall
967 depend on the impact that the customer-side distributed resources
968 project has on reducing federally mandated congestion charges, as
969 defined in section 16-1. On and after January 1, 2008, the department
970 shall only grant an award for capacity that exceeds a customer's peak
971 demand during the thirty-six months prior to its application if it finds
972 that an award for such additional capacity provides sufficient net
973 benefits to other customers of the electric distribution company to
974 justify making such additional award. In making its determination, the
975 department shall consider the cost of the award and the projected
976 reduction in the company's costs for energy, installed capacity,
977 forward reserve capacity, locational forward reserve capacity and
978 other factors the department deems relevant. Not later than October 1,
979 2005, the department shall conduct a contested case proceeding, in
980 accordance with chapter 54, to establish additional standards for the
981 amount of such awards and additional criteria and the process for
982 making such awards.

983 Sec. 26. (*Effective from passage*) (a) The sum of two million five
 984 hundred thousand dollars is appropriated to the Office of Policy and
 985 Management, from the General Fund, for the fiscal year ending June
 986 30, 2007, for the purpose of implementing the clean slate program
 987 pursuant to section 20 of this act.

988 (b) The sum of one million seven hundred fifty thousand dollars is
 989 appropriated to the Office of Policy and Management, from the
 990 General Fund, for the fiscal year ending June 30, 2007, for the purpose
 991 of expanding Operation Fuel, Incorporated, pursuant to section 16a-
 992 41h of the general statutes, as amended by this act.

993 (c) The sum of seven hundred fifty thousand dollars is appropriated
 994 to the Office of Policy and Management, from the General Fund, for
 995 the fiscal year ending June 30, 2007, for Operation Fuel, Incorporated's,
 996 infrastructure, technology support and case management services
 997 pursuant to section 16a-41h of the general statutes, as amended by this
 998 act.

| | | |
|---|---------------------|-------------|
| This act shall take effect as follows and shall amend the following sections: | | |
| Section 1 | <i>from passage</i> | New section |
| Sec. 2 | <i>from passage</i> | New section |
| Sec. 3 | <i>from passage</i> | New section |
| Sec. 4 | <i>from passage</i> | New section |
| Sec. 5 | <i>from passage</i> | New section |
| Sec. 6 | <i>from passage</i> | New section |
| Sec. 7 | <i>from passage</i> | New section |
| Sec. 8 | <i>from passage</i> | New section |
| Sec. 9 | <i>from passage</i> | New section |
| Sec. 10 | <i>from passage</i> | New section |
| Sec. 11 | <i>from passage</i> | New section |
| Sec. 12 | <i>from passage</i> | New section |
| Sec. 13 | <i>from passage</i> | 16-244b |
| Sec. 14 | <i>from passage</i> | 16-244d |
| Sec. 15 | <i>from passage</i> | 16-244i(c) |
| Sec. 16 | <i>from passage</i> | 16-245d |

| | | |
|---------|---------------------|-------------|
| Sec. 17 | <i>from passage</i> | 16-245q |
| Sec. 18 | <i>from passage</i> | New section |
| Sec. 19 | <i>from passage</i> | 16-245l(a) |
| Sec. 20 | <i>from passage</i> | New section |
| Sec. 21 | <i>from passage</i> | 16a-41h |
| Sec. 22 | <i>from passage</i> | 16-245a |
| Sec. 23 | <i>from passage</i> | 4a-67d |
| Sec. 24 | <i>July 1, 2007</i> | 16-19b(j) |
| Sec. 25 | <i>from passage</i> | 16-243i(a) |
| Sec. 26 | <i>from passage</i> | New section |

Statement of Purpose:

To reduce electricity rates for the state's seniors and disabled citizens, to provide relief for low-income ratepayers, and to provide all electricity customers an incentive for conservation during the high-demand summer months.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]